

## Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 DHA-02 EB-07 AID-05 IO-13  
CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01  
PRS-01 SP-02 SS-15 USIA-06 /091 W  
----- 048228 /70

R 171552Z DEC 76  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 9572  
INFO AMEMBASSY BONN  
AMEMBASSY BRASILIA  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMEMBASSY MOSCOW  
AMCONSUL OPORTO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
USMISSION NATO  
DIA WASHDC  
CINCEUR VAIHINGEN GER

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E.O. 11652: XGDS-4  
TAGS: PINT PFOR BR PO  
SUBJECT: POLITICAL DEVELOPMENTS: CABINET CHANGES PLANNED

REF: LISBON A-313 (DATED NOVEMBER 5, 1976)

SUMMARY: SOCIALIST PARTY LEADER TOLD US THAT THREE CABINET "ADJUSTMENTS" WILL BE MADE IN LATE JANUARY OR EARLY FEBRUARY. THE INDUSTRY AND SOCIAL AFFAIRS MINISTERS WILL BE DROPPED; ANTONIO BARRETO WILL GIVE UP HIS COMMERCE PORTFOLIO TO CONCENTRATE ON THE AGRICULTURE MINISTRY. THESE CHANGES WILL NOT SATISFY THE OPPOSITION, PARTICULARLY THE SOCIAL DEMOCRATS WHO ARE IN AN AGGRESSIVE MOOD. END SUMMARY.

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1. CABINET CHANGES PLANNED: SOCIALIST LEADER ANTONIO REIS TOLD EMBOFF DEC 15 THAT THERE WILL BE SOME "ADJUSTMENT" IN THE CABINET IN LATE JANUARY OR EARLY FEBRUARY. THREE MINISTRIES WILL BE AFFECTED: --A NEW COMMERCE MINISTER WILL BE NAMED. ANTONIO

BARRETO WILL DEVOTE HIS FULL ATTENTIONS TO THE AGRICULTURE PORTFOLIO.

-- ARMANDO BACELAR WILL BE REPLACED AS SOCIAL AFFAIRS MINISTER.

-- WALTER ROSA WILL BE REPLACED AS INDUSTRY MINISTER.

REIS SAID SOARES HAD ALREADY CONSULTED PRESIDENT

EANES ON THE CHANGES. THEIR ANNOUNCEMENT WAS

BEING DELAYED TO AVOID THE IMPRESSION THE CHANGES

WERE LINKED TO THE ELECTION RESULTS.

2. HEATED DISPUTE OVER "O SEUCULO": THE COMMUNICATIONS STATE SECRETARIAT ON DEC 14 REVERSED ON LEGAL GROUNDS THE NOMINATION OF PSD DEPUTY LUIS NANDIM DE CARVALHO AS EDITOR OF STATE-OWNED "O SEUCULO." THE PSD PROTESTED THE ACTION IN THE LEGISLATIVE ASSEMBLY AND IN A DEC 16 PRESS CONFERENCE, WHERE PSD SECGEN MAGALHAES MOTA ACCUSED THE GOVERNMENT OF SUCCUMBING TO THE "TOTALITARIAN TEMPTATION" TO MONOPOLIZE THE PRESS. AT THE ROOT OF THE DISPUTE IS THE PSD CONVICTION THAT IT HAS NEVER REAPED THE BENEFITS OF AN AZEVEDO GOVERNMENT AGREEMENT TO DISTRIBUTE THE STATE-OWNED PRESS AMONG THE PARTIES.

3. GOVERNMENT KEEPS PRESSURE ON PCP RURAL UNIONS: THE REPUBLICAN NATIONAL GUARD ON DEC 16 DETAINED TWO LEADERS OF THE COMMUNIST-CONTROLLED BEJA RURAL WORKERS UNION. THE TWO WERE PICKED UP FOR FAILURE TO OBEY THE BEJA CIVIL GOVERNOR'S INSTRUCTIONS TO THE UNION NOT TO INTERFERE WITH IMPLEMENTATION OF GOVERNMENT ORDERS. OTHER RECENT ACTIONS DESIGNED TO KEEP THE PRESSURE ON THE PCP UNIONS HAVE INCLUDED:

-- PROHIBITING APCP-SPONSORED DEMONSTRATION IN

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SUPPORT OF PRESSURES AGAINST THE LOBATA FARM OUTSIDE BEJA.

-- TURNING BACK WORKERS BUSED IN FROM LISBON OVER THE WEEKEND TO BEEF UP PCP LOCAL CADRES IN BEJA.

-- REJECTING PCP ATTEMPTS TO PLACE WORKERS IN COOPERATIVES WHICH HAVE BROKEN AWAY FROM COMMUNIST CONTROL.

-- DISMISSING DEC 16 THE MANAGEMENT COMMITTEE OF THE SORRAIA VALLEY IN SANTAREM. THE COMMITTEE HAD COME UNDER CRITICISM FOR ITS ALLEGED BIAS AGAINST PRIVATE LANDOWNERS.

4. SOARES IN BRAZIL: THE PORTUGUESE PRESS HAS GIVEN BIG PLAY TO PRIME MINISTER SOARES'S VISIT TO BRAZIL. AMONG AREAS HIGHLIGHTED WERE SOARES'S TWO MEETINGS WITH PRESIDENT GEISEL, THE PRESENTATION OF THE ORDER OF SANTIAGO DE ESPADA TO PRESIDENT GEISEL, PRESIDENT EANES'S INVITATION FOR PRESIDENT GEISEL TO VISIT PORTUGAL, A REPORTED

REVISION OF THE FINAL COMMUNIQUE TO INCLUDE LAST-MINUTE AGREEMENTS, AND THE OPENING OF A 50 MILLION DOLLAR BRAZILIAN LINE OF CREDIT.

5. RC MAKES FIRST DECISION OF UNCONSTITUTIONALITY: THE REVOLUTIONARY COUNCIL (RC) DEC 15 CHOSE AN OBSCURE ACT OF THE MADEIRAN REGIONAL ASSEMBLY ON TEACHER PLACEMENT TO MAKE ITS FIRST FINDING OF UNCONSTITUTIONALITY. THE RC CONSULTED WITH THE CONSTITUTIONAL COMMISSION IN ADVANCE.

6. COMMENT: REIS COMMENTS ABOUT CHANGES IN THE CABINET CONFIRM REPORTS WE HAVE HEARD FROM OTHERS INCLUDING PRESIDENT EANES. THE LABATT HAS BEEN TOLD THAT LABOR MINISTER CURTO WILL ALSO STEP DOWN IN FAVOR OF STATE SECRETARY MALDONADO GONELHA (REF AIR). THE CHANGES WILL IMPROVE GOVERNMENT OPERATING EFFICIENCY BUT WILL NOT SATISFY THE

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DEMOCRATIC OPPOSITION, PARTICULARLY THE SOCIAL DEMOCRATS KHO ARE IN AN AGGRESSIVE MOOD AND HAVE CALLED FOR A WHOLESALE RESHUFFLING OF THE SOCIALIST ECONOMIC TEAM.

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## Message Attributes

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